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ENFORCEMENT SENSITIVE

DRAFT PRESS RELEASE

**DOJ, EPA ANNOUNCE MAJOR SETTLEMENT WITH ASARCO, INC. TO
RESOLVE HAZARDOUS WASTE, WATER VIOLATIONS**

TOTAL SETTLEMENT TO BENEFIT PUBLIC HEALTH, ENVIRONMENT NATIONWIDE

ASARCO, Inc., a national mining and smelting company, and its wholly owned subsidiary Encycle/Texas, Inc., will correct alleged violations of hazardous wastes and clean water laws at a number of its facilities, in Texas, Tennessee and Montana, and spend a minimum of \$14.7 million on several environmental improvement projects, mainly at the Texas facilities -- including revamping a recycling facility that is expected to eliminate the land filling of more than half a million pounds of potentially cancer-causing and toxic materials annually, the U.S. Environmental Protection Agency (EPA) and the Department of Justice announced today. The company also will pay a \$5.5 million penalty.

Phase Two of the agreement, announced today, marks the final phase of an historic two-part settlement between the federal government and Asarco. This two-part national settlement represents the first time that the federal government has entered into a consolidated agreement that resolves violations of different environmental statutes at more than one of a company's facilities.

Today's announcement ensures that many tons of metal-bearing wastes will be lawfully recycled instead of being placed in hazardous waste landfills, or recycled illegally. ASARCO has committed to implement an innovative technology, electrowinning, to fully reclaim metals from metal-bearing wastes. Encycle/Texas, Inc. is one of only three facilities in the United States that recycles waste from metal-plating operations.

Under Phase One of the settlement, announced Jan. 23, 1998, Asarco is investing \$50 million for environmental cleanup and correcting alleged violations of RCRA and CWA at two of its facilities in Montana and Arizona. In addition, the agreement provides for extensive compliance with the hazardous waste law through ASARCO's commitment to manage certain alleged hazardous waste under RCRA standards at the company's smelters in Arizona, Texas and Montana. Since the clean up, and waste management issues at the company's Montana smelter were resolved in Phase One, ASARCO today is paying a penalty to resolve EPA's claims that it mismanaged wastes sent there by Encycle. All together, the company will pay a total of \$11.88 million in civil penalties, and spend more than \$60 million in injunctive relief for alleged violations of the Resource Conservation and Recovery Act (RCRA) and the Clean Water Act (CWA).

As part of today's settlement, ASARCO is also improving its environmental controls by developing and implementing a federally supervised, corporate-wide environmental management system to detect and correct environmental violations or potential violations. In this agreement, another major commitment by Asarco will be the establishment of a five-year environmental management and compliance auditing program involving all of its operating facilities nationwide.

[Lois Schiffer Quote]

"This comprehensive approach to resolve a company's environmental liabilities is designed to produce fundamentally new ways to protect public health and the environment," said EPA Administrator Carol M. Browner. **[This next sentence should be reworked.]** "It is unprecedented, partnered by industry and the government, and serves as a model for other companies in addressing their environmental responsibilities."

In the complaint filed today, EPA and the State of Texas alleged that Encycle/Texas, Inc., ASARCO's wholly-owned Corpus Christi, Texas, subsidiary, failed to manage hazardous waste in

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accordance with RCRA and otherwise engaged in unlawful recycling practices. In addition to instituting legitimate recycling practices, the company will implement site-wide corrective action and pay a civil penalty to resolve the alleged violations. Finally, the company has agreed to clean up and dedicate to the public a 30-acre conservation area in Corpus Christi, Texas. This property will include trails, an environmental education area, and a permanent site for an air monitoring station.

Also under today's settlement, ASARCO has agreed to spend \$1.8 million in El Paso, Texas, to pave publicly-owned areas such as roads, median strips, alley ways and parking lots, to help control dust. Particulates, including dust, constitute 30 percent of the air pollution in the El Paso air basin and are generally known to exacerbate respiratory problems, including asthma and emphysema. In addition, ASARCO is obliged to recycle annually at least 1,200 tons of discarded shredded automobile and truck tires during periods when the El Paso smelter operates, substituting tires for coke in the smelter's furnace avoids land filling the tires.

Finally, Phase Two of the settlement resolves alleged violations under the CWA at ASARCO's Coy Mines, in Tennessee. ASARCO has agreed to restore diverse native riparian and wetland vegetation communities in a four-acre flood plain along Mossy Creek, near Knoxville, Tenn and pay a civil penalty.

The total civil penalty for Phase II of this agreement is \$5.5 million.

The agreement was filed today in the U.S. District Courts in Texas. Texas and Arizona participated as co-plaintiffs in the overall agreement.

The proposed settlement will be published in the Federal Register for a 30-day public comment period and is subject to Court approval.

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A fact sheet outlining the specifics of the two-part ASARCO, Inc., settlement accompanies this release.



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